

(b) *Registered form*—(1) *Obligations issued after September 21, 1984.* With respect to any obligation originally issued after September 21, 1984, the term *registered form* has the meaning given that term in section 103(j)(3) and the regulations thereunder. Therefore, an obligation that would otherwise be in registered form is not considered to be in registered form if it can be transferred at that time or at any time until its maturity by any means not described in §5f.103-1(c). An obligation that, as of a particular time, is not considered to be in registered form because it can be transferred by any means not described in §5f.103-1(c) is considered to be in registered form at all times during the period beginning with a later time and ending with the maturity of the obligation in which the obligation can be transferred only by a means described in §5f.103-1(c).

(2) *Obligations issued after December 31, 1982, and on or before September 21, 1984.* With respect to any obligation originally issued after December 31, 1982, and on or before September 21, 1984, or an obligation originally issued after September 21, 1984, pursuant to the exercise of a warrant or the conversion of a convertible obligation, which warrant or obligation (including conversion privilege) was issued after December 31, 1982, and on or before September 21, 1984, that obligation will be considered to be in registered form if it satisfied §5f.163-1 or the proposed regulations provided in §1.163-5(c) and published in the FEDERAL REGISTER on September 2, 1983 (48 FR 39953).

(c) *Registration-required obligations not in registered form which are not subject to section 1287(c).* Notwithstanding the fact that an obligation is a registration-required obligation that is not in registered form, the holder will not be subject to section 1287(a) if the holder meets the conditions of §1.165-12(c).

(d) *Effective date.* These regulations apply generally to obligations issued after January 20, 1987. However, a taxpayer may choose to apply the rules of §1.1287-1 with respect to an obligation issued after December 31, 1982, and on or before January 20, 1987, which obligation is held after January 20, 1987.

[T.D. 8110, 51 FR 45461, Dec. 19, 1986]

### § 1.1291-0 Treatment of shareholders of certain passive foreign investment companies; table of contents.

This section contains a listing of the headings for §§1.1291-1, 1.1291-9, and 1.1291-10.

*§ 1.1291-1 Taxation of U.S. persons that are shareholders of PFICs that are not pedigreed QEFs.*

- (a) through (b) [Reserved]
- (c) Coordination with other PFIC rules.
- (1) and (2) [Reserved]
- (3) Coordination with section 1296: distributions and dispositions.
- (4) Coordination with mark to market rules under chapter 1 of the Internal Revenue Code other than section 1296.
  - (i) In general.
  - (ii) Coordination rule.
  - (d) [Reserved]
  - (e) Exempt organization as shareholder.
    - (1) In general.
    - (2) Effective date.
    - (f) through (i) [Reserved]
    - (j) Effective date.

#### *§ 1.1291-9 Deemed dividend election.*

- (a) Deemed dividend election.
  - (1) In general.
  - (2) Post-1986 earnings and profits defined.
    - (i) In general.
    - (ii) Pro rata share of post-1986 earnings and profits attributable to shareholder's stock.
      - (A) In general.
      - (B) Reduction for previously taxed amounts.
  - (b) Who may make the election.
  - (c) Time for making the election.
  - (d) Manner of making the election.
    - (1) In general.
    - (2) Attachment to Form 8621.
    - (e) Qualification date.
      - (1) In general.
      - (2) Elections made after March 31, 1995, and before January 27, 1997.
        - (i) In general.
        - (ii) Exception.
        - (3) Examples.
        - (f) Adjustment to basis.
        - (g) Treatment of holding period.
        - (h) Coordination with section 959(e).
          - (i) Election inapplicable to shareholder of former PFIC.
            - (1) [Reserved]
            - (2) Former PFIC.
            - (j) Definitions.
              - (1) Passive foreign investment company (PFIC).
              - (2) Types of PFICs.
                - (i) Qualified electing fund (QEF).
                - (ii) Pedigreed QEF.
                - (iii) Unpedigreed QEF.
                - (iv) Former PFIC.
                - (3) Shareholder.

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(k) Effective date.

*§ 1.1291-10 Deemed sale election.*

- (a) Deemed sale election.
- (b) Who may make the election.
- (c) Time for making the election.
- (d) Manner of making the election.
- (e) Qualification date.
  - (1) In general.
  - (2) Elections made after March 31, 1995, and before January 27, 1997.
    - (i) In general.
    - (ii) Exception.
- (f) Adjustments to basis.
  - (1) In general.
  - (2) Adjustment to basis for section 1293 inclusion with respect to deemed sale election made after March 31, 1995, and before January 27, 1997.
- (g) Treatment of holding period.
- (h) Election inapplicable to shareholder of former PFIC.
  - (i) Effective date.

[T.D. 8701, 61 FR 68151, Dec. 27, 1996, as amended by T.D. 8750, 63 FR 13, Jan. 2, 1998; T.D. 9123, 69 FR 24073, May 3, 2004]

## § 1.1291-0T Passive foreign investment company—table of contents (temporary).

This section lists the table of contents for §§ 1.1291-1T and 1.1291-9T.

*§ 1.1291-1T Taxation of United States persons that are shareholders of section 1291 funds (temporary).*

- (a) through (b)(2)(i) [Reserved]
- (ii) Pedigreed QEF.
- (b)(2)(iii) and (iv) [Reserved]
- (v) Section 1291 fund.
- (3) through (6) [Reserved]
- (7) Shareholder.
- (8) Indirect shareholder.
  - (i) In general.
  - (ii) Ownership through a corporation.
    - (A) Ownership through a non-PFIC foreign corporation.
    - (B) Ownership through a PFIC.
    - (C) Ownership through a domestic corporation.
  - (iii) Ownership through pass-through entities.
    - (A) Partnerships.
    - (B) S Corporations.
    - (C) Estates and nongrantor trusts.
    - (D) Grantor trusts.
- (c) through (j) [Reserved]
- (k) Effective/applicability dates.

*§ 1.1291-9T Deemed dividend election (temporary).*

- (a) through (j)(2) [Reserved]
- (3) Shareholder.

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(k) Effective/applicability date.

[T.D. 9650, 78 FR 79607, Dec. 31, 2013]

## § 1.1291-1 Taxation of U.S. persons that are shareholders of PFICs that are not pedigree QEFs.

- (a)–(b) [Reserved]
- (c) *Coordination with other PFIC rules.*
  - (1)–(2) [Reserved]
  - (3) *Coordination with section 1296: distributions and dispositions.* If PFIC stock is marked to market under section 1296 for any taxable year, then, except as provided in § 1.1296-1(i), section 1291 and the regulations thereunder shall not apply to any distribution with respect to section 1296 stock (as defined in § 1.1296-1(a)(2)), or to any disposition of such stock, for such taxable year.

(4) *Coordination with mark to market rules under chapter 1 of the Internal Revenue Code other than section 1296*—(i) *In general.* If PFIC stock is marked to market for any taxable year under section 475 or any other provision of chapter 1 of the Internal Revenue Code, other than section 1296, regardless of whether the application of such provision is mandatory or results from an election by the taxpayer or another person, then, except as provided in paragraph (c)(4)(ii) of this section, section 1291 and the regulations thereunder shall not apply to any distribution with respect to such PFIC stock or to any disposition of such PFIC stock for such taxable year. *See* §§ 1.1295-1(i)(3) and 1.1296-1(h)(3)(i) for rules regarding the automatic termination of an existing election under section 1295 or section 1296 when a taxpayer marks to market PFIC stock under section 475 or any other provision of chapter 1 of the Internal Revenue Code.

(ii) *Coordination rule*—(A) Notwithstanding any provision in this section to the contrary, the rule of paragraph (c)(4)(ii)(B) of this section shall apply to the first taxable year in which a United States person marks to market its PFIC stock under a provision of chapter 1 of the Internal Revenue Code, other than section 1296, if such foreign corporation was a PFIC for any taxable year, prior to such first taxable year, during the United States person's holding period (as defined in section 1291(a)(3)(A) and § 1.1296-1(f)) in such stock, and for which such corporation